



CELSIA

La energía que quieres

ESG report 2022

**Celsia contributes
to construction
of a better society**



Content



03

About This Report

- › That's how we are
- › Our Business in Figures
- › Our Material Topics
- › Our Stakeholders Participated in the Materiality Exercise

12

Environmental

- › We take care of the environment
- › Climate change management
- › Ecoefficiency
- › Biodiversity and ecosystem services

20

Social

- › We promote social development
- › Celsia culture
- › Development partners
- › Health and safety in operations

29

Corporate and Economic Governance

- › Board and Steering Committee
- › Ethics and Transparency
- › We act with a vision of the future
- › Risk Management
- › We Work for Economic Performance
- › We develop our value chain
- › Social and political environment



ABOUT THIS REPORT

The Environmental, Social and Governance (ESG) report that we present highlights the most-relevant aspects of our ESG Management, with the main achievements and results of the year. The information contained herein is the summary of our 2022 Integrated Report and seeks to provide details to our Stakeholders on issues that we have identified and prioritized as material..



This is who we are

At Celsia, we work for the electricity infrastructure of Colombia and the countries where we are present. Likewise, we create quality employment with competitive remuneration and superior benefits; we obtain returns for our Shareholders and Investors with sustainability criteria, we enrich the lives of our clients and we work together with our Stakeholders to grow harmoniously together.

This is how *we build a better society*; we are passionate about renewable energy and energy efficiency. We generate and transmit efficient energy from renewable sources (water, sun and wind), with the necessary thermal support.

We support our customers with advanced and innovative solutions.

We are convinced that a more-sustainable world is possible.

The information is presented in a consolidated manner. To find out the details of the indicators by region (Colombia and Central America) and the precision of the variations and/or behavior of the indicators described here compared to previous years, we invite you to consult our 2022 Integrated Report by [clicking here](#).

Celsia PermaneC

We understand sustainability as change to remain and evolve over time and, for this reason, we innovatively anticipate risks, turning them into profitable, respectful and responsible growth opportunities for our clients and other Stakeholders.

We promote innovative actions for environmental conservation and efficient use of natural resources and due diligence throughout the value chain.

We evolve to face industry challenges and create value, thus:

Generating rich memorable experiences for our clients

Delivering reliable, responsible energy

Betting on the culture of good energy

Innovating

Executing projects beyond compliance

Contributing to society and to the conservation of ecosystems

Being transparent



Employee of substation The Carmel.

Alignment of the Strategy with the Global Sustainability Agenda

We are committed to the United Nations (UN) call to achieve sustainable development by 2030. Therefore, we have prioritized seven Sustainable Development Goals (SDGs) based on our understanding of the positive and negative impacts we generate , and prioritization exercises carried out.



Our Business in Figures

Commercialization - New Businesses

2 Thermal Districts in Operation	92 Backup Plants	21 Recharging Stations for Electrical Vehicles	1.787 Chargers for Homes
--	----------------------------	--	------------------------------------

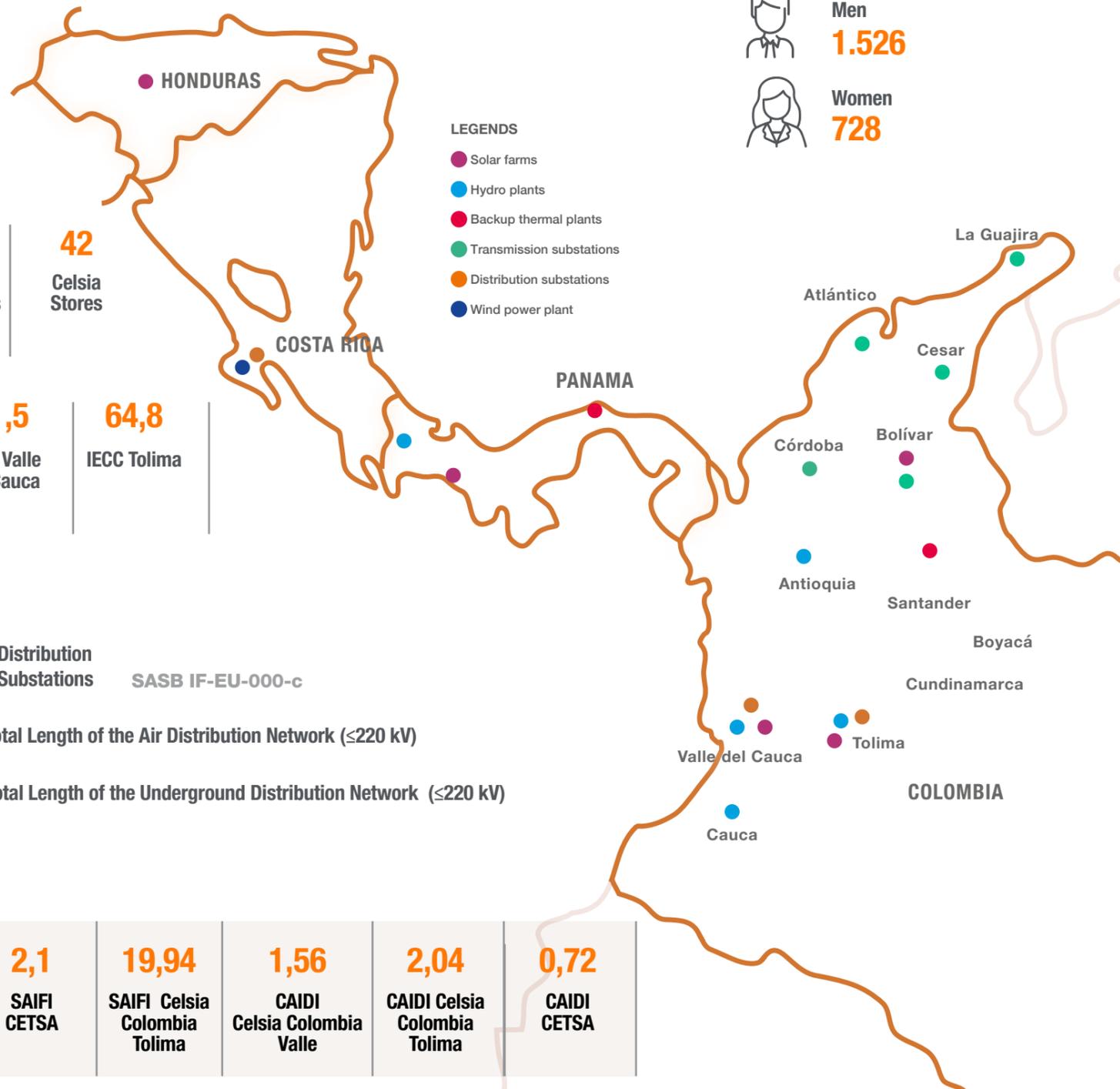
Commercialization - Client Experience

1.285.083 Clients SASB IF-EU-000-a	1.282.010 Households and Businesses	1.015 Large Companies	2.058 New Businesses	42 Celsia Stores	
39 Virtual-Attention Kiosks	7.880 Points of Payment	45 Telephone-Attention Points	46 Virtual-Attention Points	71,5 IECC Valle del Cauca	64,8 IECC Tolima

Transmission and Distribution

17 Transmission Substations	183 Distribution Substations SASB IF-EU-000-c
274 Km of the Transmission Network (≥220 kV)	46109 Total Length of the Air Distribution Network (≤220 kV)
52 115 kV Substations	593 Total Length of the Underground Distribution Network (≤220 kV)
131 34,5/13.2 kV Substations	

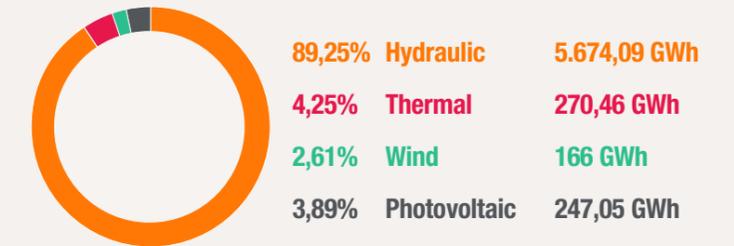
10,29 SAIDI Celsia Colombia Valle	1,52 SAIDI CETSA	40,79 SAIDI Celsia Colombia Tolima	6,61 SAIFI Celsia Colombia Valle	2,1 SAIFI CETSA	19,94 SAIFI Celsia Colombia Tolima	1,56 CAIDI Celsia Colombia Valle	2,04 CAIDI Celsia Colombia Tolima	0,72 CAIDI CETSA
---	----------------------------	--	--	---------------------------	--	--	---	----------------------------



Human Talent



SASB IF-EU-000-d



Photovoltaic Energy

	Installed capacity MW
10 Dedicated Solar Farms in Operation	130,9
116 Installed Capacity of the SolarFloors Installed and Operating in the Reporting Period	41,64
19 Solar Floors Installed and Operating in the Reporting Period	17,50
291 Household Solar Rooves - Colombia	17,50
374 Household Solar Rooves - Central America	0,54 MWp

Generation

	Installed capacity MW
22 Hydroelectric Plants	1.249,64
3 Backup Thermal Plants	519
1 Wind Power Plants	49,5

192,59 MW Installed Capacity of Photovoltaic plants (farms, rooves and floors)

2.008,73 MW Installed Capacity - Total Celsia



Our Material Topics

GRI 3-2

Our materiality analysis is the roadmap that reflects the most-important work focuses on environmental, social and governance (ESG) matters, *which allow us to adapt to changes in the environment and to the expectations of our Stakeholders*. We are aware that the context in which we operate has changed, especially after going through the pandemic and reactivating after it. This is why, during 2022, we updated the exercise.

Below, we detail how we carry out the process of identifying and prioritizing our Materiality Topics and the key issues for our Business' permanence over time.

During 2022 we carried out a collaborative exercise, which consisted of four steps, to be clear about our ESG criteria roadmap.



Process

GRI 3-1 The identification process to establish our Material Topics consisted of four steps:

Context Analysis

In order to understand the operational and global context in which Celsia finds itself, *identify main trends, risks, impacts and opportunities*, and build a preliminary list of potentially material issues, we carried out a benchmarking of mega trends and global, sectoral and national contexts of sustainability. We delved into the issues that standards, regulations and frameworks are focusing on; we understood the ESG risk landscape of the countries where we operate; and finally, *we analyzed the material issues of peer companies, to have a 360 vision* of the landscape in the short, medium and long term.

Sessions with Internal Leaders

We conducted *29 interview sessions with Leaders of different* prioritized teams to identify with them the ESG impacts, risks and opportunities that they see latent in Celsia; we asked them about their expectations regarding sustainability by 2030; and we presented that list of potential material topics that we obtained as a result of the Context-Analysis Phase to carry out a first prioritization of topics and subtopics with them.

Engagement with Stakeholders

We spoke with different Stakeholders to have a space for relations, in which we listened carefully to what those ESG issues were where they saw an impact – both positive and negative – on the part of Celsia and what opportunities and risks they identified for the permanence of the business in the long term, from the knowledge they have thanks to the relationship.

Prioritization and Validation

Finally, and with the input collected during the first three phases, *we systematized and weighted the results..* Based on these, we built the Materiality Matrix, taking into account the impacts that the Company has on the economy, the environment and people; the risks and opportunities for Celsia; and the influence of each issue for Stakeholders.

At Celsia we are committed to the comprehensive development of our employees, their families and the communities where we operate, to contribute to improving the quality of life and create environments of mutual benefit, respect and trust.

Our Material Issues GRI 3-2

Being development partners refers to how we create social value through social investment, the generation of local employment, and works for taxes.



We take care of the environment

» Climate-Change Management

From mitigation, *we promote the use and consumption of clean energy*, contributing to the decarbonization of energy and the economy. From adaptation, we prepare and respond to climatic variations that may affect the service, due to climate-related events, the availability of water resources or natural disasters.

» Biodiversity and Ecosystem Services

We focus on *the preservation and care of fauna and flora*. We know that no net loss of biodiversity is the basis for any action, so we address biodiversity risks from the early stages of projects and throughout their life cycle.



We Promote Social Development

» Celsia Culture

We seek *to promote and guarantee the diversity and equal opportunities of our teams*, developing skills in a changing context, respecting human rights at all times and providing the best experience to employees.

» Development Partners

Through a good relationship with our communities, *we seek to avoid real or potential negative impacts* on human rights that may be caused during the stages of our value chain.

» Health and Safety in Operations

Safety is a vital, non-negotiable value. Our main objective is that our *employees and contractors return to their homes healthy every day*, and that our products and services maintain the highest quality standards to take care of the communities where we are.



We Act with a Vision of the Future

» Diversification and Expansion of Our Businesses

We are a player in the country's energy revolution, which is why *we offer a diversified generation matrix, with innovative*, efficient services to guarantee the necessary resources for our operation.

» Innovation and Technology

Through technology and digitization, we seek *to diversify our services and improve our performance*, simplifying procedures and processes and quickly responding to requests, as well as the operational context. Technology, of course, leads to greater risks related to information, so cybersecurity plays a vital role behind our management.

We Develop Our Value Chain

» Supplier management is one of the pillars for Celsia. We seek long-term sustainable growth that seeks to guarantee *the sustainability of our supply chain, with the timely management of risks that may arise*, through the continuous improvement of administrative competencies, ethics and conduct; commercial, technical, environmental, productive and financial skills, ensuring the promotion and respect of human rights.

We Enrich the Lives of Clients

» Our vision focuses on *delivering an agile, easy, effective and memorable experience during your relationship with our company*. We achieve this largely by providing quality, uninterrupted service, integrated into the national electrical system and with full availability for our current clients, as well as expanding our service offer for potential clients.

We Adapt to Our Social and Political Environment

» *This contemplates the physical security of the operation* as well as the proactive analysis of the political environment in relation to changes or updates at the regulatory or legal level of the country's electricity sector.

We Work for Economic Performance

» This focuses on generating value for all our Stakeholders through *the development of profitable, eco-efficient activities* that respond to the needs of the market and our clients.



We enrich life of customers

We want convert our customers in fans of Celsia.

An exercise with everyone GRI 3-1

Our stakeholders participated in the materiality exercise

GRI 3-1 Aware that the materiality analysis It is a dynamic, participatory activity that supports the execution of the strategy, we had spaces for interviews and focus groups with our groups of interest, and complement the inputs obtained with surveys. As results we obtained themes that are important to our stakeholder groups interest, either because they see them as an opportunity or a risk for Celsia.

The Stakeholders *we involved were prioritized based* on the AA1000(SES) Accountability standard, characterizing them according to the methodology by: dependency, responsibility, tension, influence and perspective of each actor.

The key issues highlighted by all the Stakeholders were Biodiversity, Development Partners and Climate Change.

Stakeholder	Number	Mechanism	Key Issues
Communities	6 3	Focal spaces Interviews	<ul style="list-style-type: none"> » Development Partners » Social & Political Context » Cliente Experience
The State	1	Interview	<ul style="list-style-type: none"> » N/A
Employees	54 126	Interviews Surveys	<ul style="list-style-type: none"> » Celsia Culture » Cliente Experience » New-Business Diversification & Expansion » Economic Performance » Innovation & Technology
Shareholders	1	Focal Space	<ul style="list-style-type: none"> » Innovation & Technology » Social & Political Context » Economic Performance
Suppliers	2 2	Focal spaces Meetings with Suppliers in Valle & Tolima	<ul style="list-style-type: none"> » Value Chain & Sustainable Sourcing » Circularity
Clients	6 41	Interview Surveys	<ul style="list-style-type: none"> » Client Experience » New-Business Diversification & Expansion » Economic Performance » Social & Political Context
Grupo empresarial (Cementos, Odinsa y Grupo Argos)	1	Group Interview	<ul style="list-style-type: none"> » Celsia Culture » Health & Safety in Operations » Innovation & Technology » Client Experience » Value Chain & Sustainable Sourcing » Social & Political Context

Our stakeholders



This is how we relate to our Stakeholders

GRI 2-29 Our relationship with Stakeholders is carried out within an ethical, respectful and balanced framework, made up of our Corporate Values, Practices and Commitments, *which help us build and maintain trust to contribute to sustainable development.*

At Celsia, we constantly analyze the needs, expectations, risks and opportunities linked to stakeholders that can be impacted for our activities.



In order to maintain a relationship based on the best relationship practices, we carried out an exercise to characterize, prioritize, and standardize our Stakeholders. To know this information and everything corresponding to our Stakeholders, [clicking here](#).

Main Results



Unions and Associations

» Together with the unions, we worked on proposals and initiatives for the development of the roadmap for energy transition and the effective development of new renewable-energy projects, as well as contributing to the government initiative to mitigate the effect of inflation on the energy rates.



Suppliers

» We had face-to-face meetings with suppliers in different areas of the country with a total attendance of approximately **400 suppliers**.

» We made **17 outreach visits**.

» We opened **new communication channels** for warehouse management, which allows us to be more timely.



Communities

» We generated participation and dialogue processes between communities and the company, which allowed community participation. Among these processes, we highlight the development of prior consultation with **185 ethnic communities** (157 Indigenous communities and 28 Community Councils of Black Communities) from our areas of influence in 14 municipalities in nine Departments in Colombia.



Clients

» A total of 69% of service activities were attended through our digital channels. LuzI.A., Celsia's virtual assistant, self-managed **120,355 damage-report activities**, delivery of duplicates, balances and payments. We developed the exclusive B2B (Business to Business) Post-sales Channel for 3,000 large clients with direct attention from comprehensive service advisors.



the Media

» Last year, we offered two workshops to 116 journalists from Valle del Cauca and Tolima on new narratives and the challenges of new communication, for which we have experts in digital strategy. Together with the Ministry of Mines and Energy, we conducted training for **27 journalists from La Guajira**, called "The Report: A Path to Investigate from the Stories" with the journalist José Guarnizo.



Shareholders and Investors

» On a quarterly basis, we delivered the company's results to our shareholders, investors and other stakeholders, through video and teleconferences, including the ESG indicator report and the analytics dashboard, for their respective monitoring, control and analysis of the results.



Scientific and Academic Community:

» We are recognized actors of the National System of Science, Technology and Innovation (SNCTI, in Spanish) as an R&D+i Unit by the Ministry of Science, Technology and Innovation, under Resolution 2282 of 2021, valid for three years. Additionally, during the year, we managed seven projects together with different universities in the country.



Employees

» We made the Company's results and other relevant news of the Organization known to our Employees, through our internal-media platform. **The Talks with Ricardo, the weekly news bulletin, the screen system (CelsiaTV) and the fortnightly podcast (CelsiaRadio)** were fundamental channels in this diffusion. Periodically, we reported the progress, good practices and achievements related to the Dow Jones Index, the Sustainability Yearbook, the human-rights technical panel and the actions taken to mitigate climate change.



Breakfast with Tolima businessmen

We received the Issuers Recognition IR of the Colombian Stock Exchange for adopting the best practices in terms of information disclosure and investor relations, that is, for providing sufficient and timely information through adequate communication channels.



ENVIRONMENTAL



We take care of the environment

Climate change management

GRI 3-3 Climate change is *one of the main strategic challenges we currently face*, which is why Celsia is committed to reducing its impact by designing effective mitigation and compensation measures and innovative initiatives that contribute to strengthening capacity adaptation and to develop business opportunities.

GRI: 3-3; 2-23; 2-24; 2-25; 2-29 In line with the foregoing, we established the goal of becoming carbon neutral, bringing our carbon footprint to zero. Additionally, work has been done on the externalities derived from climate change for the business, the physical and emerging risks present in the territories where we operate and their possible impact. This is how Celsia's Climate Strategy was formulated, which includes mitigation, compensation and adaptation actions, such as:

In terms of communications and awareness, a plan is being carried out that seeks to create awareness in all Stakeholders, communicating the management and results in this matter through internal and external channels.

Mitigation

- » Efficiency actions in operations.
- » Energy efficiency.
- » Use of conventional (hydroelectric) and unconventional (solar and wind) renewable sources.
- » Reduction in the consumption of fossil fuels due to the closure of the coal technology of the Bahía Las Minas Thermal Power Plant, in Panama.
- » Loss-Reduction Plan in the Transmission and Distribution system for Valle and Tolima.

Adaptation

- » Installation of a hydro-climatological monitoring system.
- » Identification of risks and definition of Business Continuity Plans to implement ecosystem-, infrastructure- or technology-based solutions.
- » Evaluation of assets and investments to minimize disruptions in operations and economic losses for the Company.

Compensation

- » Emission compensation is made from the use of Certificates of Reduction and Avoided Emissions generated by clean-energy projects (hydraulic, solar and wind).

TCFD: Governance – a. Committed to the comprehensive management of climate change risks and opportunities, the Sustainability and Corporate Governance Committee annually presents the progress related to this problem, to later discuss action plans and challenges in this matter during Board of Director meetings.



ReverdeC

Based on what was discussed in these sessions, guidelines were established and strategic business decisions were made that leverage the fulfillment of the goals related to climate change.

Principal Results

GRI: 3-3, TCFD: Governance - b)

We obtained the Carbon-Neutral Certification for Celsia granted by the Colombian Institute of Technical Standards (ICONTEC, in Spanish) which ratifies our effort to combat climate change with a Scope 1 and 2 emissions.



Our environmental investment, both mandatory and voluntary, reached

46.223
million COPS.

Opportunities Derived from Climate Change

GRI: 3-3, GRI: 201-2, TCFD Estrategy-a-c

Strategy – a. Climate change brings us opportunities, such as improvement in the financing conditions of renewable projects, use of tax benefits and the sale of carbon credits, thanks to the CO₂ emissions avoided with the generation of renewable energy.

In renewable and environmentally friendly energy projects, we see great financial opportunities: The use of tax benefits – such as Law No.1715/14 in Colombia and Law No.45/2004 in Panama – highlighting the financing conditions that they guarantee us.

In 2022, a revolving credit for up to USD 140 million dollars was signed with the International Finance Corporation (IFC), a member of the World Bank Group. This line of credit is mainly linked to the reduction in the intensity of CO₂ emissions and, hand in hand with this, the possible sale of carbon credits is considered.

With Bancolombia in 2021, we signed our first loan linked to compliance with Environmental, Social and Corporate-Governance (ESG) Indicators for COP 500,000 million, with a term of eight years. Learn more by [clicking here.](#)

Physical and Transition Risks Related to Climate Change

For Celsia, climate risk is a strategic risk, and it is qualitatively and quantitatively assessed under scenario analysis, from the physical impacts on our assets to market, technology and regulatory implications. In the quantitative evaluations carried out on the physical risks, the catastrophic models carried out by Marsh (RMS RiskLink and/or AIR Touchstone Computer Model) have been taken into account, in which the threats of nature are analyzed and the maximum probable loss is established and the Monte Carlo simulation is performed.

GRI: 201-2, SASB: IF-EU-110a.3, TCFD: Strategy – a, b.; Risk Management – a.

Regulatory Risk

- » In 2023 *the National Development Plan will be defined, which establishes the government plan for the next 4 years in Colombia.* It includes, within the climate change strategy, the implementation of a system of tradable emission quotas. A risk is identified in the application of a maximum emissions quota for natural gas generation.

Additionally, the tax reform that was approved in November 2022 *stipulated that the generation of electrical energy through water resources* must pay three (3) additional points to the income and complementary tax during the taxable periods between 2023-2026, with a total rate of 38%, which could lead to a significant reduction in investments in projects from this source.

Physical Risk

- » Dry seasons, sedimentation of reservoirs and erosion of the earth's layer, and floods. We saw this last risk materialize in September 2022 when the Estí River had an unusual rise and flooded the Estí Hydroelectric Plant, owned by AES. After the event, all the water from the Estí Power Plant was discharged into the Chiriquí River, affecting the generation of our Dos Mares Hydroelectric Complex in Panama, which is made up of the Gualaca, Lorena and Prudencia Power Plants, which led us to resort to the construction of a cofferdam to normalize the situation.

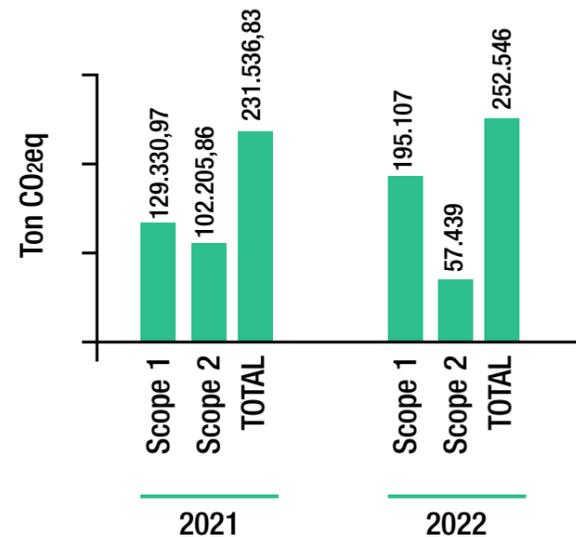


Carbon Footprint

Total GHG Emissions Scope 1 and Scope 2

GRI: 305-1; 305-2, SASB: IF-EU-110a.1, TCFD: Metrics and Targets - b. y c.

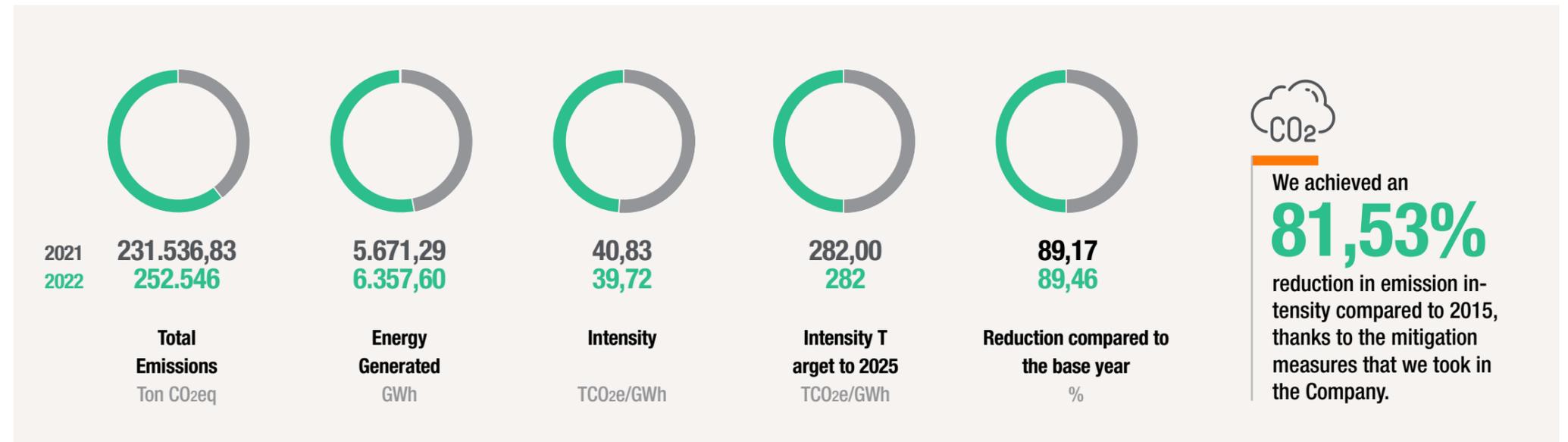
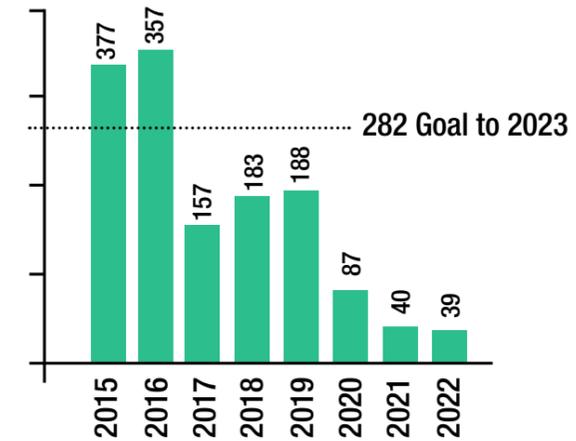
Our Scope 1 CO₂ emissions are associated with the operation and maintenance of our assets. For its part, our total Scope 2 CO₂ emissions are associated with the purchase of imported energy from the grid and transmission and distribution losses.



Emissions Intensity

GRI: 305-4, 305-5

At Celsia we want to actively contribute to the fight against climate change; for this reason, we have proposed to reduce the intensity of GHG emissions associated with power generation by 25% by 2025 (base year 2015).



Scope 3 Emissions

GRI 305-3; TCFD Metrics and Targets - b.

During 2022, the three main sources of Scope 3 emissions that we managed were:

- » Activities related to fuel and energy (not included in Scope 1 or 2): 21,346.71 Tons CO₂eq
- » Waste generated in operations: 282.5 Tons CO₂eq
- » Business trips: 64.88 Tons CO₂eq

In 2022, our renewable energy-generation projects prevented the emission of 72,550 tons of CO₂eq, thus contributing directly to the energy transition.

In **Scope 1**, we see an increase in emissions due to the increased consumption of non-renewable energy, since the *Cativá* and *Meriléctrica* Thermal Power Plants had a greater participation in the generation basket for 2022. Additionally, in the last quarter of the year, the *Tesorito* Thermal Power Plant, located in *Sahagún*, Córdoba, entered into operation.

In **Scope 2** we had a decrease due to the implementation of the T&D loss reduction plan executed in Tolima and Valle del Cauca.

Ecoefficiency

At Celsia, environmental and sustainable management cuts across all our processes

GRI: 3-3 Our Environmental Policy covers our entire business portfolio and through the implementation of the Environmental-Management System, we establish our framework for *action and the efficient management of natural resources*, taking into account Stakeholders and leveraging our operation towards the future. For this reason, we make efficient use of resources by implementing actions aligned with the Organization’s short-, medium- and long-term socio-environmental goals and compliance with current environmental regulations in each region where we are present.

Our management is reflected in:

1. *Achieving* proper handling of the chemical substances we use in our processes
2. *Improving and promoting* the optimization of natural resources
3. *Avoiding* environmental accidents.
4. *Mitigating* los contaminantes atmosféricos de fuentes fijas y móviles.
5. *Improving* soil stability and preventing its degradation.
6. *Promoting* the sustainable use of water and biodiversity.
7. *Implementing* actions aimed at the Circular Economy for the optimization of renewable and non-renewable resources.
8. *Carrying out the sustainable management* of natural resources and biodiversity under the principle of the Mitigation Hierarchy throughout the life cycle of projects and assets in operation

SASB IF-EU-140a.1



Rational Use of Water and Energy

Water Consumption

SASB IF-EU-140a.1, TCFD: Metrics and Targets - c

Below, we present the results we obtained in terms of water and energy:



0,3856

Total Water Consumption in 2021 0,39 MMm3

Target 2021 1,45
Target 2022 2,59

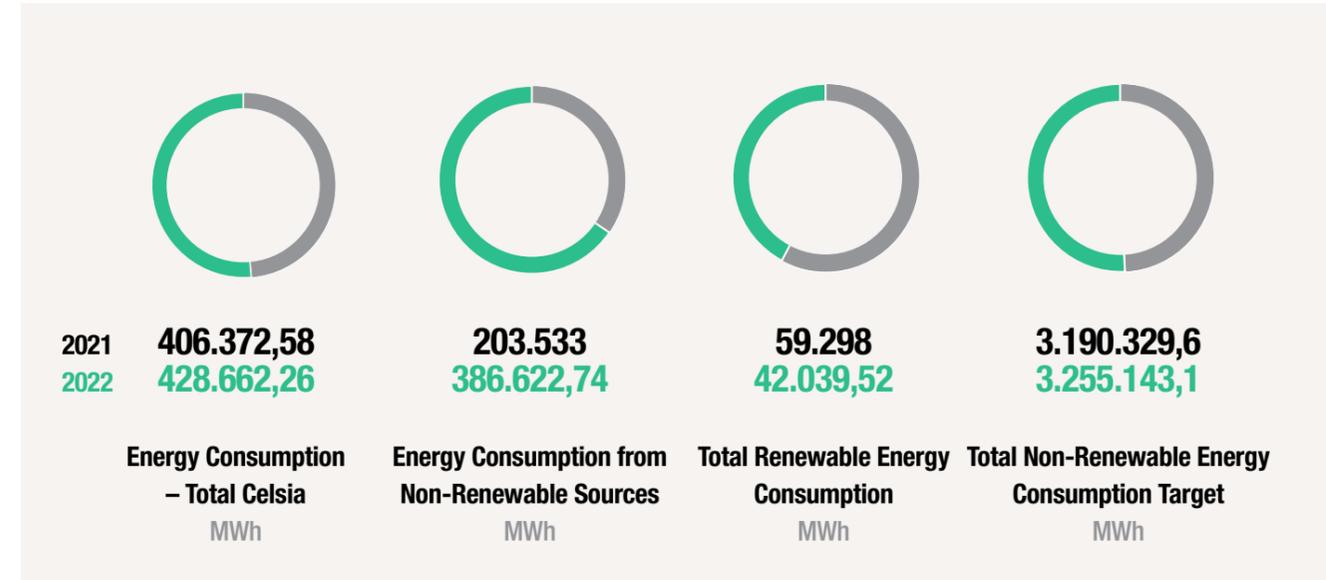
Water power generation is a non-consumptive use of water, meaning that the water returns to the watercourses in the same amount as it was captured. The data recorded as consumption correspond mainly to domestic water use and cleanliness of the infrastructure in the assets.

SASB IF-EU-140a.1 SASB IF-EU-140-a-3

At Celsia *we do not collect or consume water in places with scarcity or extreme scarcity of water*, thanks to tools such as Global Water Tools and the Water Risk Atlas, which allow the Company to identify those sites that are in areas of water stress and monitor the availability of water in the basins where our facilities are located.

Energy Consumption

TCFD: Metrics and Targets - c.



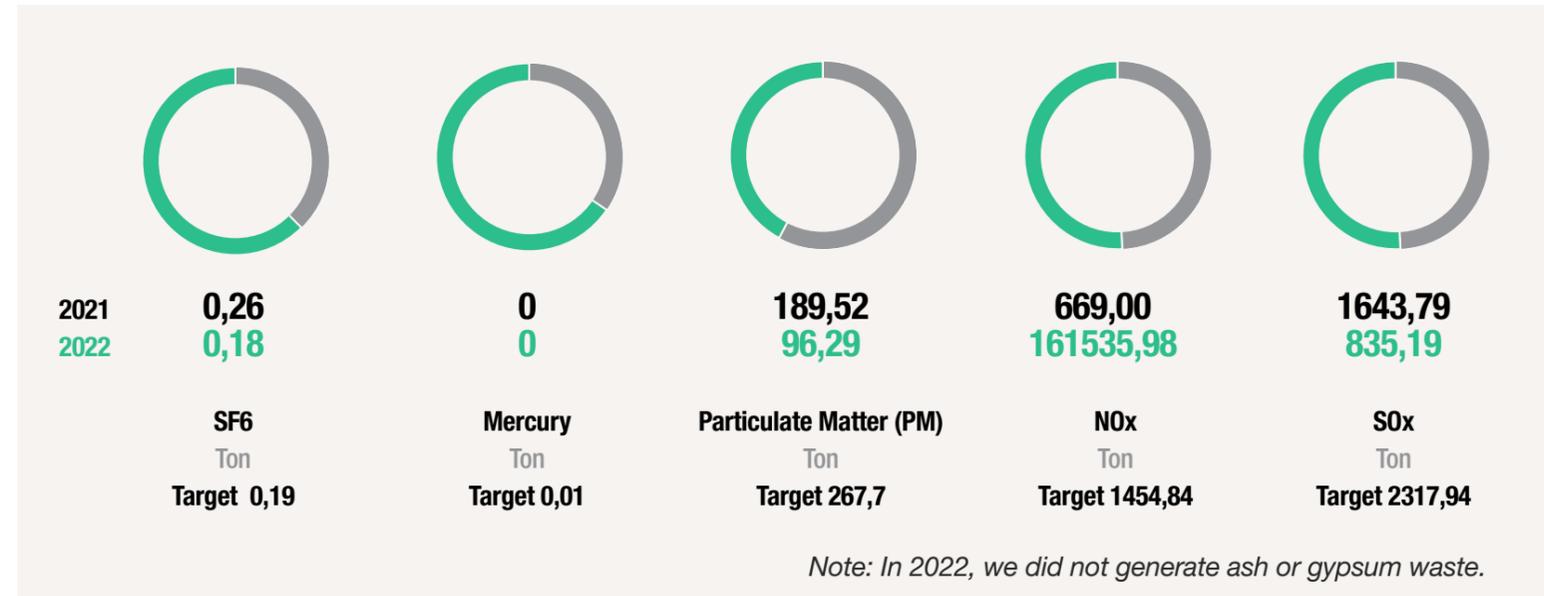
In the countries where we are present, energy consumption varies according to the operation of our thermal assets, taking into account that these operate as backup energy.

At Celsia we use both water efficient like energy.



Other Atmospheric Emissions

SASB IF-EU-150a.1 y el 150a.2; TCFD: Metrics and Targets – c. Celsia manages and recognizes the challenges of operating in changing environments; for this reason, we seek to reduce the environmental impacts associated with atmospheric emissions, investing significant resources for the use of cleaner fuels and efficient technologies that are environmentally friendly, taking into account the hierarchy of mitigation and adaptation to climate change.



SASB IF-EU-120a.1

In Celsia, during 2022, there were no mercury emissions, due to the fact that the Bahía Las Minas Power Plant in Panama stopped generating energy with fossil fuel – coal. The pollutants of PM, NOx, SOx that are emitted, are not in densely populated areas or in areas close to them.

Biodiversity and Ecosystem Services

GRI: 3-3 The conservation of biodiversity, the sustainable management of living natural resources and ecosystem services are a fundamental axis of our Environmental Management, since we make use of water, sun or wind.

In 2022 we updated the Environmental Policy including biodiversity conservation, restoration and management as material issues, committing to manage it under the principles of the Mitigation Hierarchy and non-net loss of biodiversity.

We contribute to the knowledge of biodiversity with two new species of orchids discovered in one of our properties in Valle del Cauca, Colombia, a finding that was published in the Harvard Papers in Botany (HPB) of Harvard University. The orchids were named *Epidendrum calimaense* and *Epidendrum celsiae*, in homage to the place where they were found and to Celsia.

- We give** priority to actions to prevent, reduce and mitigate impacts, as well as restoration and compensation measures for residual impacts.
- We make** an early identification of risks and control them with the implementation of Environmental Management and Follow-up and Monitoring Plans in our assets in operation and new projects.
- We know** that the non-net loss of biodiversity is the basis of any action, which is why we put ourselves before the biodiversity risks from the early stages of the projects and throughout their life cycle.
- We believe** that cooperation and joint work make it possible to conserve and restore ecosystem services and biodiversity.
- We transparently** publish information on biodiversity, generating scientific and academic knowledge.
- We have** a firm commitment that seeks to prevent the loss of biodiversity by creating a positive impact in our environment of action.

GRI: 3-3; 2-23; 2-24; 2-25; 2-29

We made progress in updating our Socio-Environmental Management Procedure, incorporating international standards, such as Performance Standard 6 of the International Finance Corporation (IFC) and the Equator Principles, among others. From this, the Guide for the Protection and Conservation of Biodiversity, Ecosystem Services and Sustainable Management of Living Natural Resources was derived, the objective of which is to establish guidelines and practices throughout the life cycle of assets, aimed at sustainably managing biodiversity, ecosystem services, and mitigating impacts, guaranteeing continuous improvement, efficient use of natural resources, consolidation of relationships of mutual respect with the different social actors, legal compliance and voluntary and/or financial initiatives adhered to by the Organization.

ReverdeC

C-RE3

ReverdeC is a *voluntary ecological restoration initiative*, with the goal of planting 1,000,000 trees per year in 10 years. Between 2016 and 2022 we managed to plant 12,214,560 trees on 6,191 hectares in Colombia, exceeding our target. In 2022 we created the ReverdeC Foundation to continue promoting socio-environmental processes of participatory-ecological restoration in different ecosystems, generating a positive impact on biodiversity and on the social fabric.



3.618.728

Number of Trees Planted
In 2021 **3.056.214**

META 2021 1.000.000
META 2022 1.000.000



1.201

Number of Hectares (ha)
Planted
In 2021 **1.013 ha**



Annual Target Compliance
2021 305,62%
2022 361,87%



100%
local labor



74
river basins



39
14 ecosystems



14
300 native species planted



300
Community planting



By 2022, we restored 1,201 hectares and 3.6 million trees in the Departments of *Valle del Cauca* (river basins of the *Riofrío*, *Amáime*, *Garrapatas* and *Yotoco* Rivers), *Tolima* (hydrographic basin of the *Coello* River), *Antioquia* (hydrographic basins of the *Claro* and *Aburrá* Rivers) and *Atlántico* (basins of the *Canal del Dique* and *Ciénaga de Mallorca*).

To learn more about ReverdeC, [clicking here.](#)



SOCIAL



We transform the opportunities that technological advances, clean energy, energy resources and the role that clients and consumers have in the market today give us, and we materialize them in our growing commitment to them: understanding their needs, offering tailor-made solutions and designing our channels and interactions in a way that reflects our Celsia Culture.

At Celsia, customer loyalty goes beyond the commercial area.

Among the main results of 2022, we highlight the following:

- » We built *Patio Perdomo* in Bogotá for the simultaneous recharging of 195 electric buses.
- » We saw a 386% growth in Residential Charging Station (EDC, in Spanish) sales.
- » We built public EDCs at *El Dorado Bogotá Airport*, *El Papayo Substation in Ibagué*, *La Pintada in Antioquia*
- » Luzl.A., Celsia’s virtual assistant, self-managed 120,355 damage report activities, delivery of duplicates, balances and payments.
- » We developed the exclusive B2B (Business to Business) Post-sales Channel for 3,000 large clients with direct attention from comprehensive-service advisors.
- » We conducted 13 workshops in WOW Experiences, 1,387 hours of training for 212 employees of the Sales Team and partner companies.
- » The certification of 35 photovoltaic solar energy projects was achieved, representing close to 800,000 RECs/month.
- » Growth in 50,622 new connections for the regulated market in Valle and Tolima.
- » We took our portfolio to more homes, obtaining a 1.7% penetration in Valle and Tolima.

We Enrich the Life of Our Clients

GRI 3-3 Customer management at Celsia is not an exclusively commercial issue; it is a commitment from all areas of the Organization, which – in coordination – seeks to turn these clients into fans, exploring new ways to make their lives easier through pleasant, effective experiences in

the different channels that we have and develop, while generating new products, services and business models that contribute to the well-being, productivity and sustainability of homes and companies in the geographies where we are present.

These are some of the challenges we have to continue to convert our clients into true fans:

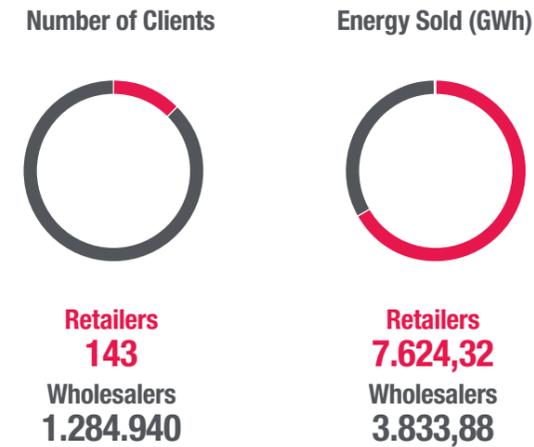
1. **Serve 1.3 million clients** in Colombia with the regulated electricity service
2. Achieve annual income of USD 8 million in **distributed-generation solutions** in Central America; and
3. Manage to **start operations** in one additional country in the region.



We reach all kinds of customers with the good energy of Celsia.

Our Clients

SASB IF-EU-000.B



SASB IF-EU-240a.1 SASB IF-EU-000.A



75.155 COP

average monthly electricity bill for the first 99.95 kWh sold to Residential Clients each month.

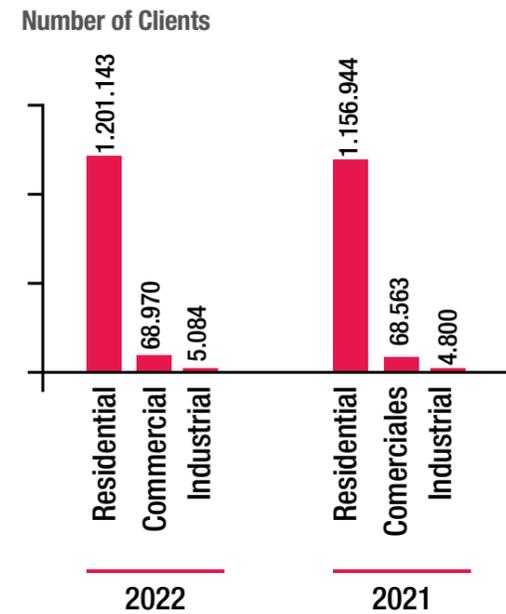
SASB IF-EU-240a.3

There were 60,297 Residential Clients previously disconnected, whose service was restored within 30 days from the date of power outage.

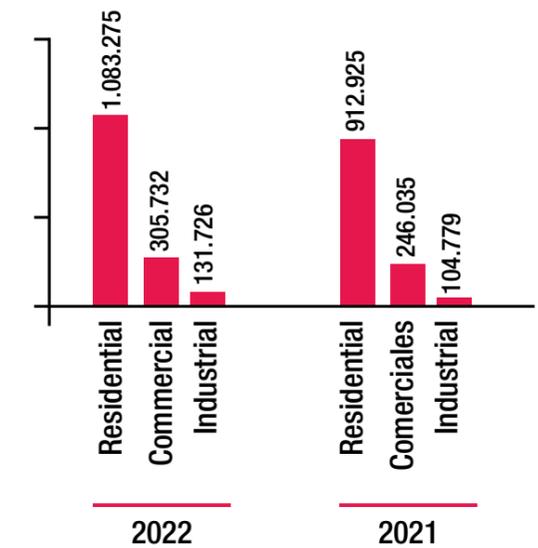
A total of 68.57% of power outages were restored within 30 days.

We had 87,926 power outages among Residential Clients due to non-payment of their bill.

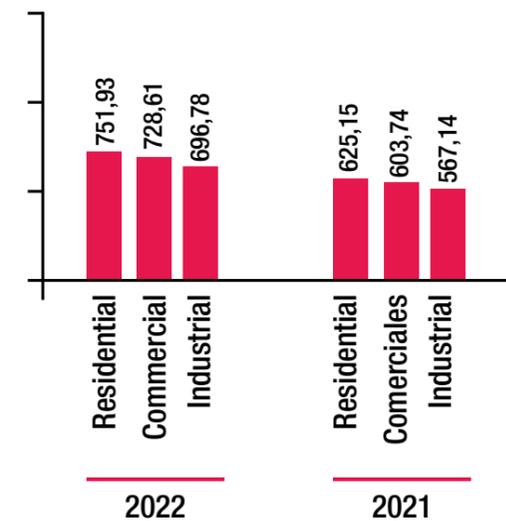
SASB IF-EU-240a.1 SASB IF-EU-000.A



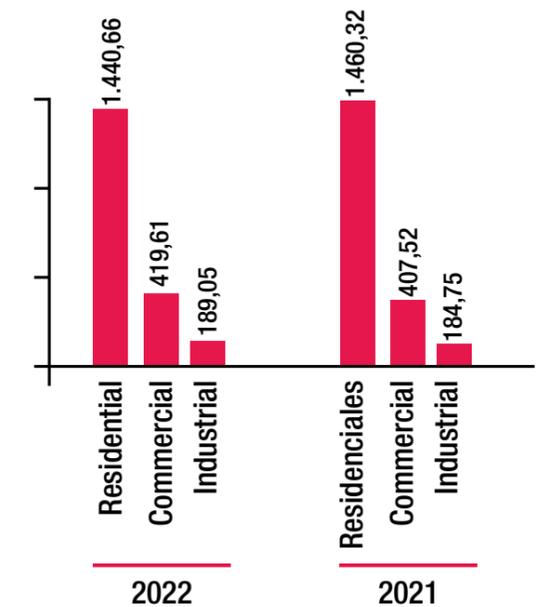
Income per Type of Client (COP million)



Average Electrical Rate per kWh of electricity (COP/KWh)



Energy Sold (GWh)



Energy accessibility

SASB IF-EU-240a.4

Celsia *serves clients with regulated energy* in the Departments of Valle del Cauca and Tolima, Colombia, managing the connection in accordance with the regulations of the Energy and Gas Regulation Commission, in a timely manner, providing continuous, reliable and safe service.



We do our best to possible to provide our services by assessing risks and analyzing opportunities.

Some external factors that impact access to energy service and its conservation are:

High Probability and Minor Impact	Moderate Probability and Low Impact	Low Probability and Significant Impact	Low Probability and Minor Impact
<ul style="list-style-type: none"> » Public order problems and epidemiological risks » Natural and environmental factors 	<ul style="list-style-type: none"> » Lack of opportunity in payments due to decreased income in households and companies, unemployment, illness and inflation. 	<ul style="list-style-type: none"> » High dynamism of legal and regulatory standards. » Unavailability of networks close to the client's location. 	<ul style="list-style-type: none"> » Increased management time for field activities. » Non-compliance with the client's technical requirements.

As for non-regulated customers, there is difficulty in the timely response from other agents, network operators and marketers.

Additionally, we have identified some risks and opportunities from the external factors mentioned above:

Risks

- » **Portfolio impairment** due to non-payment in favor of Celsia and third parties;
- » **Reduction** in the marketer's income due to compliance with regulatory standards, such as the application of the rate option;
- » **Difficulty** for the delivery of invoices in areas with restricted access (landslide, flood), with the presence of armed groups or an epidemiological risk.
- » **Mobility** of clients with values pending collection.

Opportunities

- » **Continuously** developing processes and tools for client service, management of on-site activities, billing, collection and collection follow-up;
- » **Training** employees in assertive client service;
- » **Promoting** empathic relationships and client support
- » **Using** technological platforms to expedite client service and disseminate topics of general interest.

We promote social development

Development Partners

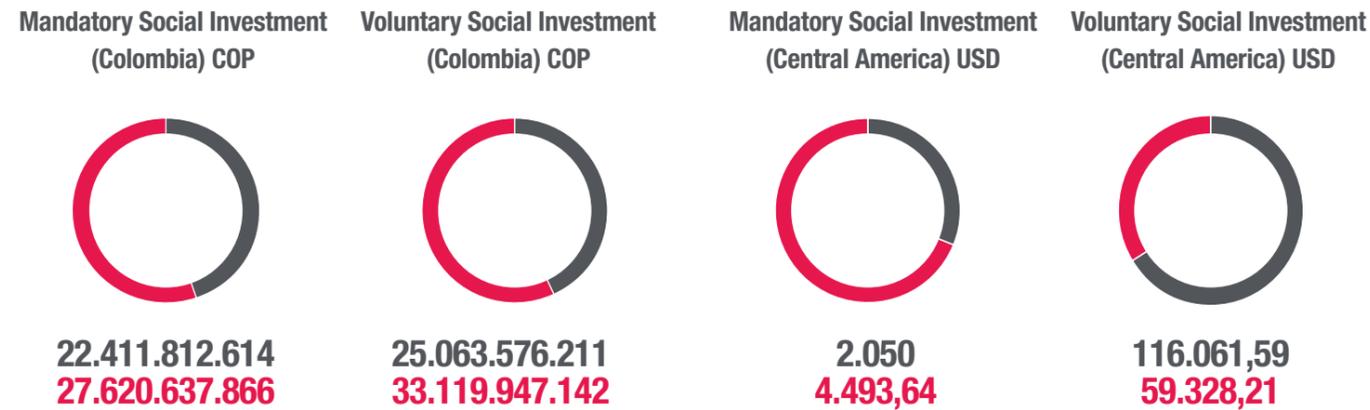
GRI: 3-3

Celsia, *we seek to grow hand in hand with the communities in the territories where we are present.* Having an understanding of the environment in which we operate, knowing the particularities of each region and each context allows us to establish, strengthen and maintain relationships of trust, respect, collaboration and mutual benefit. We identify, plan and implement collective-benefit actions that contribute to the integral development of the territories where we are present.

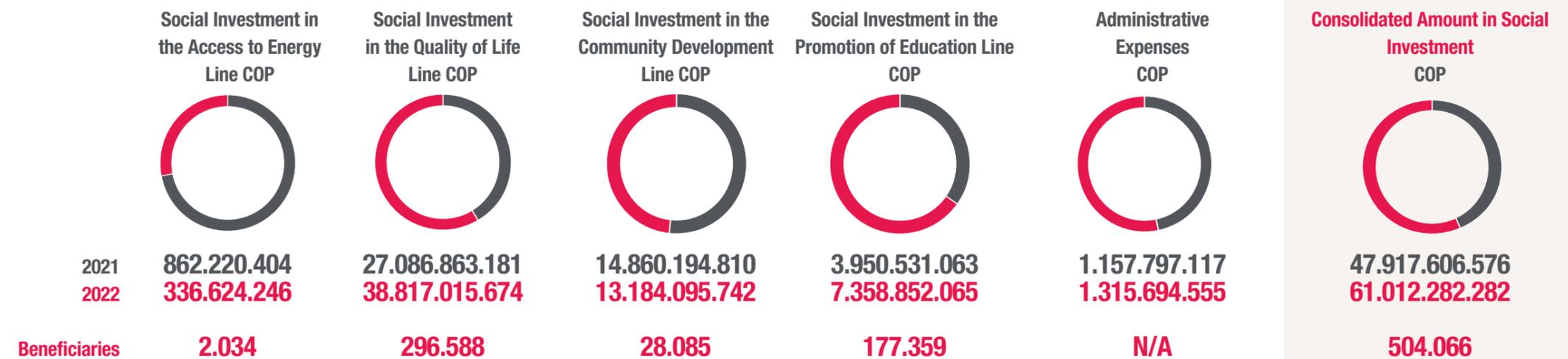
We guarantee the mechanisms and spaces for adequate, timely information, participation and consultation regarding matters that could positively or negatively affect communities, derived from our operations and new-project development.



Amounts of Social Investment



Amounts of Social Investment



We highlight the increase in investment in the Education Promotion line, thanks to the Celsia Foundation programs, which were expanded to other regions, as well as our free school internet project.

Prior Consultations

GRI: 413-1; 2-29

Protocolized agreements with the communities in the framework of prior *consultations are focused on addressing the impacts generated by our projects*, through the definition of management measures that are part of the Environmental Management Plan and/or specific agreements. It is important to be clear that these measures are not generic, but are defined according to the type of project, the particularity of each community and its relationship with the impact.

Among the measures that have been agreed upon, noteworthy are territorial, organizational, productive and cultural strengthening; *improvement of community and educational infrastructure*; environmental protection, all of which are framed within the lines of intervention of our social investment.

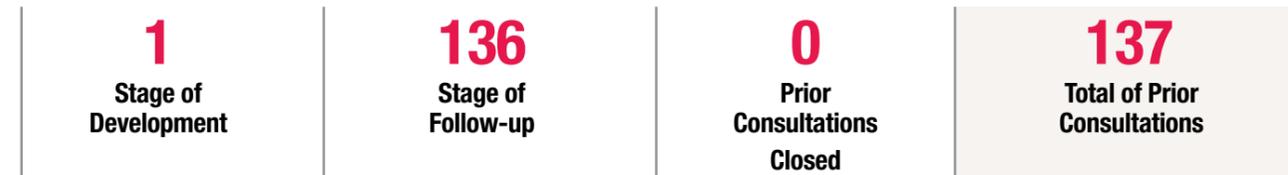
Number of Prior Consultations in Communities – Generation (2022)



Distributed in 14 municipalities of the departments of Valle del Cauca, Tolima, Cauca, Bolívar, Sucre, Córdoba, Cesar, Atlántico and La Guajira, in Colombia, the 185 communities that maintain prior consultation processes are composed of:

157 indigenous communities (*resguardos, cabildos, parcialidades*)

Number of Prior Consultations in Communities – Transmission and Distribution (T&D) (2022)



28 community Councils of Black Communities



Inquiries previous in the Guajira

This is a process that we have developed, thanks to the articulation and collaborative work with governors, mayors, ART and the Ministries of Education, Transport and Environment, related to the execution of the projects, thus improving the living conditions of the communities most affected by poverty and violence in Colombia.

Works for Taxes

At Celsia, our premise is to be partners in the development of the regions, because well-being, innovation and sustainability move us. For this reason, since 2017 we have been participating in the Works for Taxes mechanism, led by the National Government's Territory Renewal Agency (ART, in Spanish), in which we are allowed to allocate up to 50% of the income tax to carry out works that benefit our neighboring communities. We have executed more than COP 100 billion in the development of 12 projects in the Departments of Antioquia, Cauca and Tolima.



Works by tax

Figures with social impact



Roads

28.551.258.179

amount invested COP

4

Projects **107 Km built**

- 1 Suárez-Betulia Footprint Plate
- 2-3 Morales Phase 1-2 Footprint Plate
- 4 Ataco Footprint Plate



17.059
Beneficiaries (People)

Area Impacted: **3 municipalities**

Corregimiento Betulia en Suárez, Corregimiento El Rosario Morales, Corregimiento Santiago Pérez en Ataco.

Execution Option: **Trust**



Education

19.459.344.768

amount invested COP

4

Projects **906 educational centers intervened**

- 1 Endowment of school furniture Phase II for official Educational Institutions of the municipality of Chaparral, department of Tolima
- 2 Provision of computers and ICT training in official educational institutions of the municipality of Ataco, department from Tolima
- 3 Provision of school furniture for the educational centers of the ZOMAC municipalities of the Magdalena Medio, Northeast and North Subregions of the Department of Antioquia
- 4 Provision of school furniture for the educational centers of the ZOMAC municipalities of the West and Southwest subregions of the Department of Antioquia



65.400
Beneficiaries (People)

Area Impacted: **21 municipalities**

Angostura, Campamento, Guadalupe, Puerto Berrío, San Andrés de Cuerquia, Santo Domingo, Toledo, Vegachí, Yalí, Yarumal, Yolombó, Abriaquí, Caicedo, Frontino, Montebello, Salgar, Santafé de Antioquia, Uramita, Urrao, Ataco y Chaparral.

Execution Option: **Trust**



Payment for
Environmental Services

6.036.887.808

Amount approved COP

During the year 2022, the project was approved by the Territory Renewal Agency for execution for 4 years, starting activities in 2023. We are the first company in Colombia that is approved under this category of works for taxes.

1

Proyecto **4114 hectares impacted**

- 1 Implementation of the program of payments for environmental services of water regulation in the Regional Natural Park PNR Anaime- Chilí and its buffer zone, complex of Chili-Barragán moors, Tolima.

Area Impacted: **3 municipalities**

Department: Tolima

Execution Option: **Agreement**

Celsia Culture

GRI: 3-3

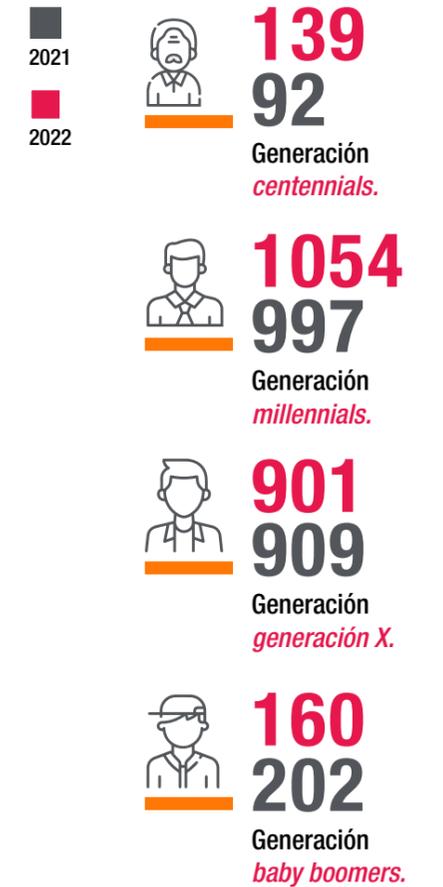
At Celsia, we do our best to grow together, guaranteeing respect for the regulatory framework of each country, *we promote inclusion and equity, with diversity and innovation being a great strength.* We have some pillars of culture and work practices that allow employees to perceive a work environment where they feel confidence, harmony and pride in working at Celsia, contributing to a purpose that connects with their individualities, which serves as a differentiator to attract and retain the best talent, to achieve extraordinary results and that – from this connection with the collective purpose – the sense of belonging is strengthened, *the work environment among colleagues is improved and Celsia is recognized as one of the best places to work.*



Celsia is recognized like one of the best places to work.

Colaboradores por rangos generacionales - Total Celsia

GRI: 2-7; 405-1



Our pillars of culture are:

- » We dare to be different.
- » We are agile and reliable.
- » We give our best to grow together.
- » We enjoy making life easier.

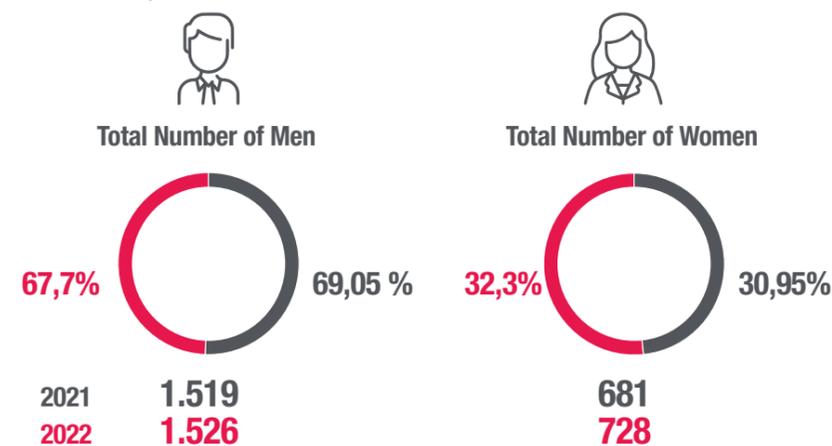


2.254

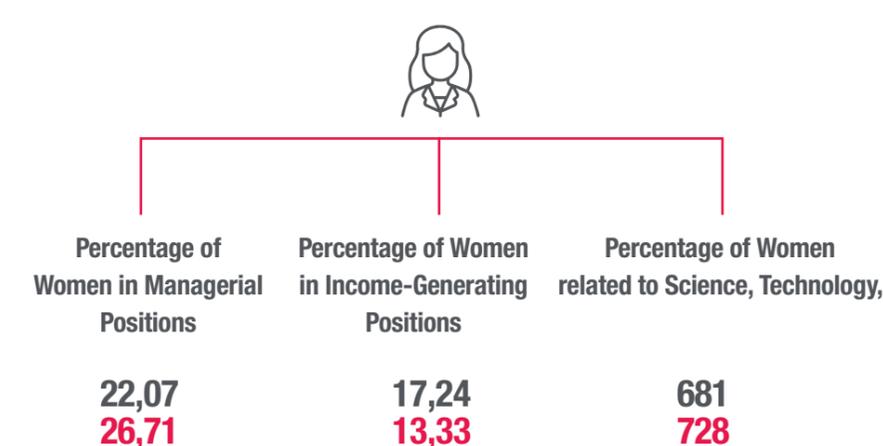
Total Number of Employees
2.200 in 2021

General Labor Indicators – Colombia

GRI: 2-7; 405-1



Women in Celsia



STEM is the acronym for the English terms science, technology, engineering and mathematics.

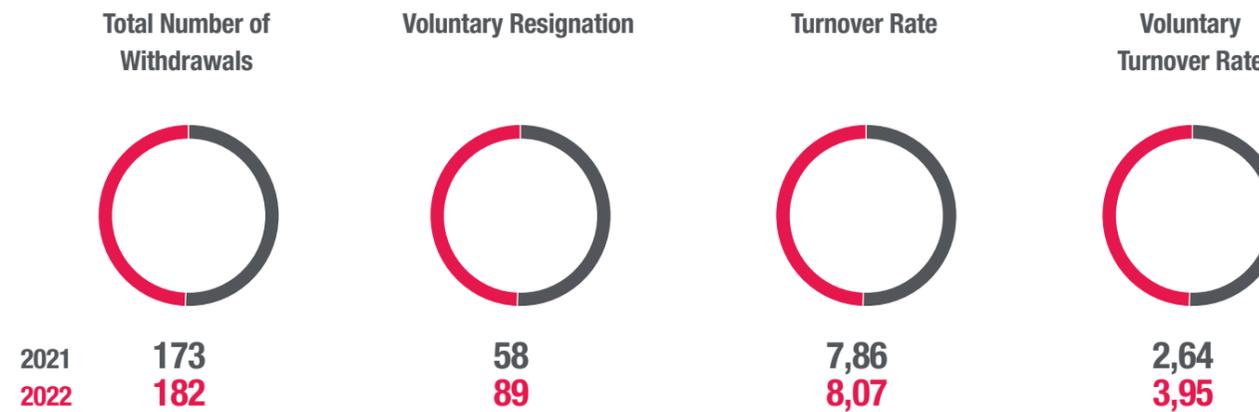
When a new colleague joins the energy era, we welcome him with our culture and accompany him in his consolidation process, so that he learns our work practices and is aligned with our way of acting.

Attraction and Loyalty of Our Talent

Our objective when attracting and seeking to maintain this talent is to ensure that they adapt to this culture; this is why we have implemented different strategies within our value proposition – such as development, empowerment, agility and flexibility – which allow us to generate memorable moments and adapt to their expectations, seeking to make each employee fall in love.

In order to continue growing as an Organization, fulfilling the strategic objectives that we have by increasing the commitment, motivation, productivity, innovation and quality of life of our employees.

GRI: 413-1; 2-29



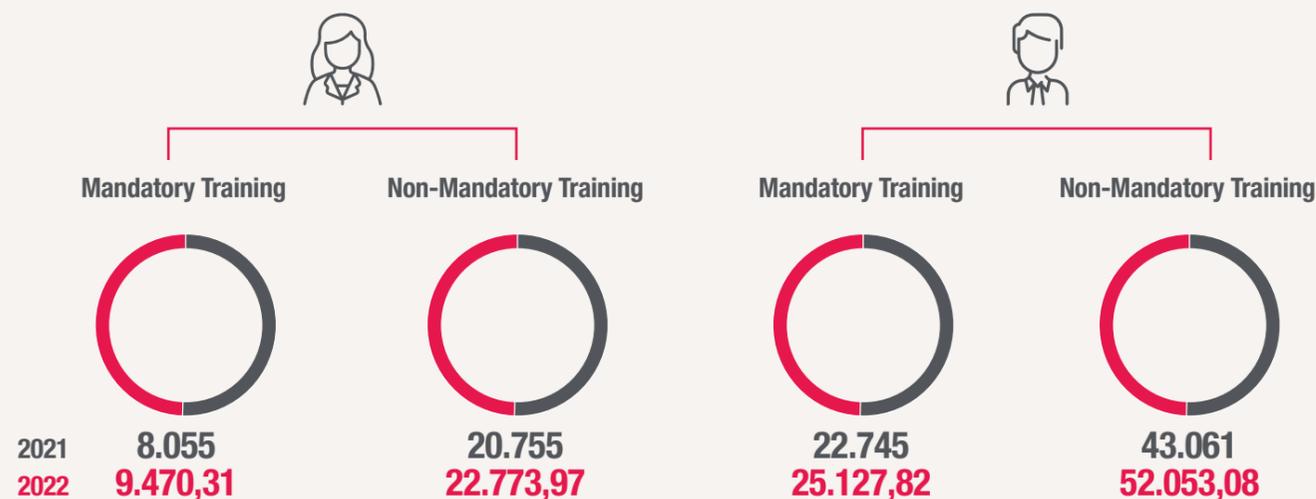
Celsia measures the work environment and organizational commitment with Mercer-Sirota, which covers all aspects of the employee experience, including commitment, team effectiveness, leadership and culture. By 2022, the result obtained was **94%**, reaching the goal we had established of 90%. In the evaluation, these were the three statements that stood out the most:

- » **It motivates** me to work every day in this Company
- » **I am proud** to work in this Company
- » **Would you recommend** this Company as a good place to work?

Talent Development

Within the framework of the Culture Pillars, the integral development of employees is promoted and accompanied in order to motivate their growth and high individual and collective performance within Celsia. During 2022, we concentrated our efforts on making things simpler and more disruptive; for this, we developed programs that strengthened the capacities of our employees in the areas of technologies for remote work, data analytics with Power BI, and skills to simplify processes; keeping in mind awareness and self-care as part of that work plan.

Hours of Training by Gender



Total Amount Invested in Employee Training (COP)

1.637.707.678

Mandatory Training
2021 1.169.128.148

3.541.949.645

Non-Mandatory Training
2021 2.422.377.749

5.179.657.323

Total Amount Invested in Employee Training
2021 3.591.505.897



At Celsia, security is a vital value and non-negotiable.

Health and Safety in Operations

GRI: 3-3

At Celsia, safety is a vital, non-negotiable value. We are convinced that, being safe, we are sustainable and, thus, we ensure the continuity of the business. We are productive and we have the capacity to respond to any eventuality. Our main objective is that our employees and contractors return to their homes healthy every day.

In 2022, we arrived with our Health Day at all our locations, where employees and contractors participated. The activities focused on the prevention of hearing and osteomuscular health, eating habits, well-being, and gifts. In these spaces, “I Choose to Take Care of Myself as a Lifestyle” was promoted; this is a program where we want to assess and/or accompany the intervention in cardiovascular risk so that our employees and contractors are healthy.



GRI: 403-5; EU-18

Of our employees and contractors, **100%** were trained in health and safety at work, equivalent to 10,441 hours and 32,726 hours of training, respectively, during the year.

GRI: 403-9, SASB: IF-EU-320a.1

At Celsia there have been no fatalities due to work-related accidents in employees during the last four years.

Notwithstanding the foregoing, during 2022 we deeply regret that four employees of contractor companies lost their lives in events that could have been prevented by following security protocols. All the events were duly investigated and their causes were identified, which allowed us to learn and take the necessary actions so that this type of event does not happen again.

SASB IF-EU-320a.1

Lost-Time Injuries Frequency Rate (LTIFR)

3,5 Employees	12,9 Contractors
-------------------------	----------------------------

Number of Incidents Recorded

22 Employees	280 Contractors
------------------------	---------------------------

Total Recordable Incident Rate (TRIR)

3,7 Employees	44,1 Contractors
-------------------------	----------------------------

Number of Quasi - Accidents

4 Employees	29 Contractors
-----------------------	--------------------------

Severity Index

19,4 Employees	1.209,7 Contractors
--------------------------	-------------------------------

Mortality Rate

0 Employees	0 Contractors
-----------------------	-------------------------

ASG report 2022



CORPORATE AND ECONOMIC GOVERNANCE



Having high Corporate-Governance Standards is one of Celsia's pillars for the *strengthening and sustainability of relations with its Stakeholders*, in which it works permanently so that these relations are always based on trust and transparency. Additionally, it is one of the tools for value creation.

Our Board of Directors:

- » Is the highest governing body of our Organization.
- » Is made up of seven main independent members under S&P criteria, of which two are women.
- » Its functions include formulating proposals and actions, taking into account ESG best practices; overseeing and monitoring action plans, financial results, risk management, climate strategy; as well as approving, guiding and reviewing the strategy and the main projects.

To more effectively attend to its responsibilities, the Board of Directors has three permanent support Committees: The Audit, Finance and Risk Committee; the Appointment and Remuneration Committee, and the Sustainability and Corporate-Governance Committee, which propose the establishment of policies and actions to improve the Company's management.



12
number of sessions of the Board of Directors in the reporting year



6,29 years
Average time spent on our Board of Directors

GRI: 2-9

● Appointment and Remuneration Committee ● Sustainability and Corporate-Governance Committee ● Audit, Finance and Risk Committee



Jorge Mario Velásquez
CEO
Grupo Argos



COMPETENCIES: Jorge Mario has extensive competencies in economic, social and environmental issues, since throughout his career he has held management, strategy and leadership positions. Likewise, he is a member of the Board of Directors of the Grupo Argos Foundation, which works on education, culture and environmental issues.

Attended 11 meetings



Alejandro Piedrahíta
Vice President of Corporate Strategy and Finances
Grupo Argos

COMPETENCIES: Alejandro is a business administrator, and the positions he has held - including Vice President of Capital Markets at Bancolombia Investment Bank, Director of Economic Investments, and Senior Analyst in the area of Financial Structuring and Corporate Finance at Corfinsura - demonstrate his broad competencies in economic matters.

Attended 8 meetings



Rafael Olivella
Vice President of Corporate Affairs
Grupo Argos



COMPETENCIES: Rafael was Vice President of Corporate Affairs at Celsia and Vice President of Legal and Institutional Affairs at Cementos Argos. In both companies, he led the Sustainability Strategy and participated in the Management of their Foundations, in the development of infrastructure projects from the legal, social sustainability points of view, and in the operation of businesses that have a large social and environmental component, all of which demonstrates his extensive competencies in these matters.

Attended 8 meetings



María Fernanda Mejía
Independent adviser



COMPETENCIES: María Fernanda has training in external auditing, certified management systems, and, therefore, has competencies in economic matters.

Attended 11 meetings



María Luisa Mesa
Partner Mesa González y Asociados



COMPETENCIES: María Luisa's professional career has been focused on advising on matters of civil and commercial law, corporate governance and corporate social responsibility, which demonstrates her experience and competence in corporate governance matters.

Attended 12 meetings



David Yanovich
CEO
Cerrito Capital
**Resigned in November 2022.*



COMPETENCIES: David has extensive experience in the electricity and mining sectors, which involve economic, environmental and social issues. Additionally, having been Director of Investment Banking at Corporación Financiera del Valle and an independent consultant, he has developed these skills.

Attended 11 meetings



Eduardo Pizano
Advisor



COMPETENCIES: Having been Colombian Minister of Economic Development, President of Naturgas and a business consultant, Eduardo has competencies in economic, public-policy and environmental matters. Additionally, he has been an advisor on government affairs, community relations and corporate image.

Attended 12 meetings

Our Steering Committee

Our Steering Committee is committed to Celsia through:

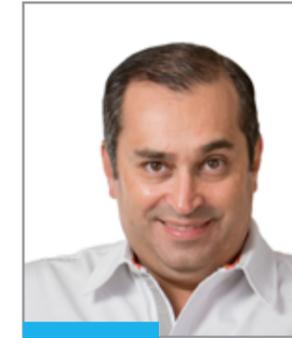
- » **Living and being** an example of the pillars of the Organization's culture, being promoters of change management with commitment, flexibility and participation in projects that require it.
- » **Defining**, communicating and guaranteeing compliance with Celsia's policies, objectives and goals.
- » **Guiding** the arrival of Celsia to other regions of Colombia and abroad, contributing to compliance with regulations and strategic planning.
- » **Leading** the development of new products and services, establishing and developing business strategies with new businesses, and innovating the way we interact with and serve our current and potential clients by focusing on growth, development, client satisfaction and Celsia's positioning.
- » **Maintaining** a financially healthy Company that has the capacity to firmly continue its expansion process, ensuring the efficiency of operating processes and guaranteeing the availability and reliability required by clients and sustainability management.
- » **Promoting** the Organization's change and transformation, seeking the development of talent and the adequate protection of Company people and assets, aligned with the Business Strategy.
- » **Reinforcing** the importance of acting with integrity.



Ricardo Sierra Fernández
Celsia Leader



Claudia Salazar
Human Management Leader and Administrative



Marcelo Álvarez
Generation Leader



Luis Felipe Vélez
Commercial Leader



Simón Pérez
Innovation Leader



Manuela Pérez
Assistant of presidency



Santiago Arango Trujillo
Affairs Leader corporate



Javier Gutiérrez
Central America leader



Julián Cadavid
Transmission Leader and Distribution



Esteban Piedrahita
Financial Leader



Carlos Alberto Solano
Regulatory Affairs Leader

You can find more relevant information about our Board of Directors and Steering Committee. [clicking here.](#)

Ethics and Transparency

GRI 205-2; GRI 205-3

In this new environment, our commitment to integrity remains unwavering. This principle is defined in our Code of Conduct as the fundamental and guiding element of our actions, both in our personal and business lives. At Celsia, strengthened ethical and transparent behaviors are part of our culture, of our DNA; they are present in the relationship with our Stakeholders and in the Company governance, and are, therefore, essential to generate trust and value in the business. We know that a culture based on strengthened ethical and transparent behaviors is a culture ready to face any challenge, which is why we actively work to implement an articulated, dynamic Ethics Program that adapts to the business environment and socioeconomic realities.



100%
of our employees
have been educated
in Anti-Corruption and in
our Code of Conduct.



100%
of our operations
were evaluated for
manage related risks
with corruption.



0
cases of corruption
and anti-competitive
practices.

In this new environment, our commitment to integrity remains unwavering.

We act with vision for the future

Innovation and Technology: Cybersecurity

GRI 2-27 SASB IF-EU-550a.1.

Aligned with our Corporate Strategy, at Celsia we mitigate the risk of a cyberattack on operations. In addition, we prevent the leakage of, tampering with and unauthorized access to personal data. We avoid the unavailability of critical cyber assets through a strategy that covers information security, personal data and cybersecurity, guaranteeing the delivery of electric-power service in a safe, reliable manner.

During 2022, attempted attacks increased from 1,906 to 3,043; however, 100% of the cases were detected and contained, and none had an economic or reputational impact on Celsia

Learn about our Information Security Policy by [clicking here.](#)

Learn about our Cybersecurity Policy by [clicking here.](#)

Business Diversification and Expansion

GRI 3-3 Business diversification and expansion is part of the strategy defined by Celsia and is reflected in the portfolio of products and services that we offer our clients today. These seek to improve the competitiveness of companies and improve people's quality of life through distributed generation solutions, energy-efficiency projects, efficient household appliances and charging infrastructure for electric mobility.

GRI: 201-2

We highlight some of the relevant figures in those businesses that help us diversify and expand:

26 A total fast-charging stations were sold

1.787 We sold slow-charging stations

3 clients have hybrid solar systems; that is, they include energy storage.

In the Internet business, we continue to position ourselves and gain fans. We went from 16,000 customers in 2021 to 40,387 customers in 2022, delivering the best quality Internet service in the Valley and Tolima.



291.000

We sold lighting products and more than 24,629 electrical appliances and technology products.



1 line

Solar Photovoltaic line, dedicated to distributed generation within the framework of medium- and long-term Power-Purchase Agreement (PPA) contracts, for the commercial, industrial, educational, corporate and real-estate sectors.

Risk Management

For Celsia, Risk Management is decisive in complying with its strategy, being a differentiating and fundamental factor in achieving business sustainability. In the same way, Risk Management is a priority principle for our employees, which allows us to plan those events that may significantly affect us, and mitigate, if necessary, the negative impacts generated. Likewise, we identify opportunities to enhance them and manage them correctly.



Our Strategic Risks:

 **Have the human talent that enables the Company's strategy.**

 **Regulatory changes.**

 **Changes in the political environment and macroeconomic variables.**

 **Climate change and scarcity of resources.**

 **Cybersecurity.**

 **Changes in the dynamics of supply and demand in the energy market**

 **Relations with Stakeholders.**

We identify opportunities to enhance them and manage them correctly.

We Work for Economic Performance

GRI 3-3 Our objective is to *maintain the long-term vision and continue generating value for our Stakeholders*, in such a way that the economic results are healthy and in harmony with the relationship dynamics in social and environmental settings.

In 2022, we consolidate another year of fundamental value creation, with the energies put into enriching the lives of our clients, from every point of view, with reliable, quality service at the right cost. Celsia recorded a very good year in financial terms; the Company's Operating Income reached **COP 5.5 trillion** with an EBITDA of COP **1.78 trillion**, and a 30% growth, compared to the previous year.

This was yet another year in which we were active players in the country's energy transformation. Celsia continued to promote non-conventional renewable energy and the efficient consumption of electricity in companies and – together with Grupo Bancolombia Capital – we created the Laurel Platform, which aims to facilitate the development of solar-generation projects and energy-supply services in companies generated by alternative sources, with a capacity of up to **7.99 MW** per project. At the end of the year, this Platform had 74 clients, with a small-scale solar-power generation capacity of **26.8 MW**. Likewise, **55 projects** are being executed that will total **43.4 MW**.

For its part, the C2 Energía Investment Platform, in partnership with Cubico Sustainable Investments, an international investment fund, put **80.4MW** into operation and another **159 MW** under construction, which will leave the Platform with a total capacity of **300MW** distributed in 17 assets in four Departments.

In parallel, in Central America we had a growth of 20 MWp in the Photovoltaic-Solar Business in the B2B (Business to Business) market in the region. We are ahead of projects that are in the construction and assembly phase to reach **53 MWp** by the end of 2023. In addition, Celsolar Prudencia entered into commercial operation with **10 MWp**.

We present Celsia's main economic, financial and operational results:

<p>5,5 trillion COP</p> <p>Operating Income</p>	<p>442.783 million COP</p> <p>Net Profit</p>	<p>1,78 billion COP</p> <p>EBITDA</p>	<p>AAA</p> <p>We maintained our credit rating</p>
---	--	---	---

Our short-term goals:

- » Maintain financial flexibility to support business growth and respond promptly to emerging changes.
- » Keep the structuring of profitable projects, which integrate a holistic view of their social and environmental impacts, while contributing to the fulfillment of the Company's growth goals.
- » Carry out responsible monitoring of climate-change risks to prevent or mitigate the possible materialization of a material event.



This was yet another year in which we were active players in the country's energy transformation.

We Develop Our Value Chain

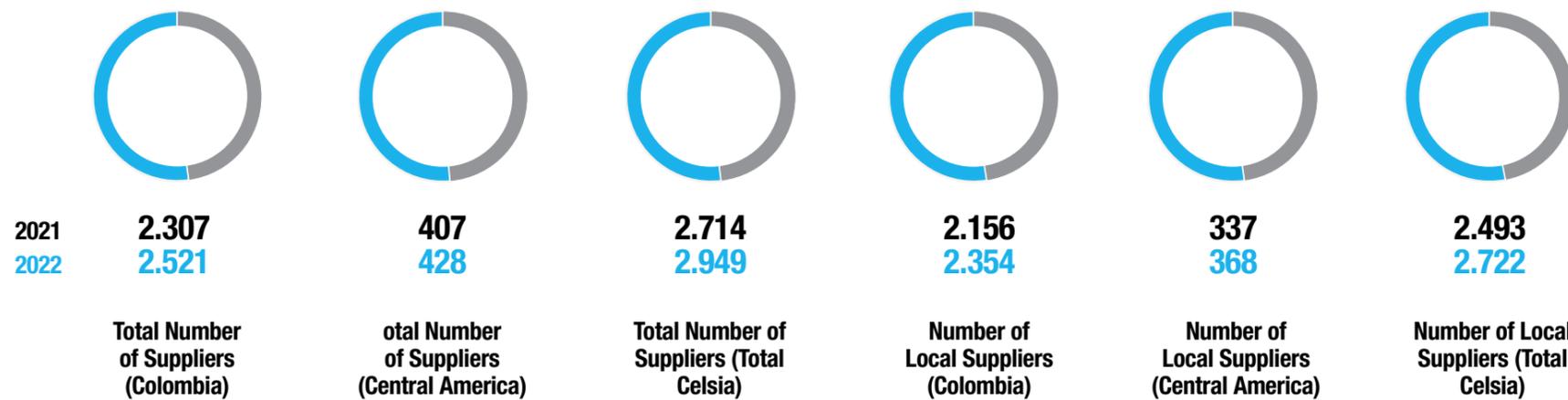
GRI 3-3 Our value chain and sustainable supply allow us to be aligned with the Corporate Strategy, *which seeks responsible, profitable and respectful growth*. Likewise, we leverage our Celsia PermaneC Sustainability Policy to incorporate environmental, social, and Corporate-Governance variables into our chain and, thus, deliver high-value solutions to the Organization that meet the needs and expectations of the different teams.

Likewise, as our allied suppliers and a fundamental part of our value chain, we work together and *aligned so that this Stakeholder incorporates good practices into their processes*, with a sustainable approach that adds value to the business ecosystem.



Permanent contact with suppliers has allowed us to maintain a stable relationship and cordial with this interest group.

We present the main economic results, Celsia's financial statements and operations:



The amount of purchases made from local suppliers was COP 2.3 billion

Among the main results this year are:

- » We maintained a positive result of 90.2% in the Supplier Satisfaction Survey.
- » We had face-to-face meetings with suppliers in the different areas, with a total attendance of approximately 400 suppliers.
- » We had five editions of the Supplier Virtual Newsletter, with relevant and current information for this Stakeholder.
- » We conducted an Ethical-Climate Survey for our suppliers, in order to find out their vision of our processes and the importance of transparency in them.
- » We updated the Supplier Code of Conduct, where the entire document was revised to include Sustainable Supply and the Human-Rights approach.
- » We made 17 relationship visits to the operation's suppliers, adjusting the checklist for their review, aligned with Human Rights and Equity and Equality.
- » In 2022, we worked with 20 companies in the I Choose to Take Care of Myself (YEC, in Spanish) School, where we implemented eight of the 12 elements that we have in the Occupational Health and Safety Program.



Permanent contact with suppliers has allowed us to maintain a stable relationship and cordial with this interest group.

Social and political environment

GRI 3-3 A large part of our businesses, projects and activities are carried out in a sector that – because it provides a public service – *has a highly relevant social impact*. For this reason, the regulatory framework is based on a policy that delimits the actions of the participating agents to ensure access, quality and reliability of the service.

In this sense, the social and political environment is relevant to guarantee the conditions that allow us to carry out the activities in which we participate, providing society with access to this essential service.

We work in a sector that has a relevant social impact.

Principal Achievements of the Regulatory Management 2022:

- » We promote the inclusion of the Department of Tolima in the Distribution Area – ADD Oriente – which achieves a significant reduction of more than \$200/kWh in the medium-term rate for all our clients in Tolima. This result allows us to strengthen equity actions, such as ADDs, which our clients were not receiving in this Department.
- » Before unions and the Government, we continue to promote the need to adjust some requirements demanded for small-scale generation based on FERNC (wind and solar) that were making the projects unfeasible. As a result, the CREG issued CREG Resolution 101 027 of 2022 that modulates the previous requirements.
- » The global inflationary situation had an impact on local energy rates. Through dialogue with the regulator and the Government, respecting the institutionality of the sector, a solution was reached to which Celsia was able to voluntarily accept a change of indexers and an effective reduction in rates, assuming a reasonable economic impact given the circumstances that gave rise to this situation, and enabling a positive result in terms of relations with the new Government, and most importantly, where we managed for our clients to receive relief on their bills.



CELSIA

La energía que quieres

